



**TANEY COUNTY, MISSOURI
TWO YEARS ENDED DECEMBER 31, 2001**

**From The Office Of State Auditor
Claire McCaskill**

**Report No. 2002-90
September 13, 2002
www.auditor.state.mo.us**

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

September 2002

IMPORTANT: The Missouri State Auditor is required by Missouri law to conduct audits only once every four years in counties which do not have a county auditor. Taney County became a first-class county with a County Auditor in 2001. The county contracted with the State Auditor's office to perform an audit of 2001 in addition to the statutory audit of 2000.

This audit of Taney County included additional areas of county operations, as well as the elected county officials. The following concerns were noted as part of the audit:

- The approved budgets did not adequately project the anticipated financial condition of most major county funds for either of the two years ended December 31, 2001. The county budgeted expenditures to use substantially all available resources. In addition, the county does not adequately monitor the balances of the various special revenue funds and the transfers into these funds.
- A state law, Section 50.333.13, RSMo, enacted in 1997, allowed salary commissions meeting in 1997 to provide mid-term salary increases for associate county commissioners elected in 1996 due to the fact that their terms were increased from two years to four. Based on this statute, in 1999 Taney County's Associate County Commissioners salaries were each increased approximately \$3,480 yearly, according to information provided by the County Auditor.

On May 15, 2001, the Missouri Supreme Court handed down an opinion that holds that all raises given pursuant to this statute section are unconstitutional. Based on the Supreme Court decision, the raises given to each of the Associate County Commissioners, totaling approximately \$6,960 for the two years ended December 31, 2000, should be repaid.

- Bids were not solicited for several items purchased by the county and elected officials. Section 50.660 RSMO 2000, requires the advertisement of bids for all purchases of \$4,500 or more, from any one person, firm, or corporation during any period of ninety days.
- The county paid \$71,500 to a programmer for his work to develop a property taxation program which he originally contracted to do for \$32,100. The programmer never produced a final product for the county. The county also paid the programmer an additional \$20,000 to provide assistance in addressing the county's Y2K concerns and other programming efforts. Bids were not solicited for any of these services.

(over)

YELLOW SHEET

- The Developmentally Disabled Board has accumulated a significant cash balance without any specific documented plans for its use. During the two years ended December 31, 2001 receipts exceeded disbursements by \$845,505, resulting in the cash balance of the Developmentally Disabled Board Fund increasing from \$1,071,222 at December 31, 1999 to \$1,916,727 at December 31, 2001. The board should determine its future needs, and consider such information when setting future property tax levies.

Also included in the audit are recommendations to improve the accounting controls and procedures for the Circuit Clerk and Ex Officio Recorder of Deeds, Associate Circuit Court, and Sheriff. The audit also includes some matters related to budgets, county expenditures, contracts, and general fixed assets upon which the county should consider and take appropriate corrective action. Several of these issues had been noted in prior audits.

All reports are available on our website: www.auditor.state.mo.us

TANEY COUNTY, MISSOURI

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FINANCIAL SECTION

State Auditor's Reports



CLAIRE C. McCASKILL
Missouri State Auditor

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL
STATEMENTS AND SUPPLEMENTARY SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS**

To the County Commission
and
Officeholders of Taney County, Missouri

We have audited the accompanying special-purpose financial statements of various funds of Taney County, Missouri, as of and for the years ended December 31, 2001 and 2000, as identified in the table of contents. These special-purpose financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of various funds of Taney County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county and are not intended to be a complete presentation of the financial position and results of operations of those funds or of Taney County.

In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Taney County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county as of and for the years ended December 31, 2001 and 2000, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we also have issued our report dated May 22, 2002, on our consideration of the county's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the special-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the special-purpose financial statements taken as a whole.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the management of Taney County, Missouri, and was not subjected to the auditing procedures applied in the audit of the special-purpose financial statements referred to above.



Claire McCaskill
State Auditor

May 22, 2002 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits:	Thomas J. Kremer, CPA
Audit Manager:	David Holtmann, CPA
In-Charge Auditor:	Jody Vernon, CPA
Audit Staff:	Ted Fugitt, CPA
	Troy Royer
	Curtis Gannon



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
and
Officeholders of Taney County, Missouri

We have audited the special-purpose financial statements of various funds of Taney County, Missouri, as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated May 22, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the special-purpose financial statements of various funds of Taney County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance which are described in the accompanying Management Advisory Report.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of various funds of Taney County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over

financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the special-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting which are described in the accompanying Management Advisory Report.

This report is intended for the information of the management of Taney County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, reading "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" and last name "McCaskill" clearly distinguishable.

Claire McCaskill
State Auditor

May 22, 2002 (fieldwork completion date)

Financial Statements

Exhibit A-1

TANEY COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
YEAR ENDED DECEMBER 31, 2001

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 7,639,650	8,384,325	7,509,773	8,514,202
Special Road and Bridge	3,292,944	1,215,033	304,451	4,203,526
Assessment	188,935	525,702	513,332	201,305
Law Enforcement Training	5,124	7,843	9,178	3,789
Prosecuting Attorney Training	2,371	1,858	1,887	2,342
Road and Bridge Trust	6,876,286	5,626,120	4,213,200	8,289,206
Transfer Station	212,465	741,320	533,710	420,075
Emergency 911	1,246,385	579,882	432,581	1,393,686
Sewer	5,912,561	5,918,381	3,165,407	8,665,535
Use Tax	12,117	178	8,960	3,335
Prosecuting Attorney Delinquent Sales Tax	155	1,215	0	1,370
Special Children's Trust	5,041	3,934	7,574	1,401
Sheriff Civil Fees	49,616	73,583	75,744	47,455
Prosecuting Attorney Bad Check	26,191	35,187	21,673	39,705
Sheriff Drug Forfeiture	34,202	10,584	20,617	24,169
Local Emergency Planning Committee	7,397	5,060	3,877	8,580
Election Services	5,397	6,170	15	11,552
County Insured	368,795	50,675	38,763	380,707
Developmentally Disabled Board	1,515,943	660,696	259,912	1,916,727
Recorder User Fee	311,871	126,250	46,571	391,550
Associate Circuit Division Interest	7,501	1,643	2,689	6,455
Circuit Clerk Interest	160,944	8,035	2,702	166,277
Law Library	7,369	4,396	8,318	3,447
Total	\$ 27,889,260	23,988,070	17,180,934	34,696,396

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit A-2

TANEY COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
YEAR ENDED DECEMBER 31, 2000

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 6,255,886	7,912,941	6,529,177	7,639,650
Special Road and Bridge	2,067,872	1,344,425	119,353	3,292,944
Assessment	125,877	542,363	479,305	188,935
Law Enforcement Training	2,840	7,669	5,385	5,124
Prosecuting Attorney Training	1,489	1,876	994	2,371
Road and Bridge Trust	6,130,764	5,638,350	4,892,828	6,876,286
Transfer Station	37,525	598,382	423,442	212,465
Emergency 911	1,146,021	557,445	457,081	1,246,385
Sewer	4,695,270	5,562,349	4,345,058	5,912,561
Use Tax	89,829	2,369	80,081	12,117
Prosecuting Attorney Delinquent Sales Tax	10,680	468	10,993	155
Special Children's Trust	1,377	3,664	0	5,041
Sheriff Civil Fees	50,000	70,195	70,579	49,616
Prosecuting Attorney Bad Check	16,594	28,029	18,432	26,191
Sheriff Drug Forfeiture	38,406	2,562	6,766	34,202
Local Emergency Planning Committee	0	10,759	3,362	7,397
Election Services	0	5,397	0	5,397
County Insured	0	404,507	35,712	368,795
Developmentally Disabled Board	1,071,222	696,008	251,287	1,515,943
Recorder User Fee	333,028	110,760	131,917	311,871
Associate Circuit Division Interest	8,274	2,039	2,812	7,501
Circuit Clerk Interest	169,644	12,034	20,734	160,944
Law Library	14,546	4,092	11,269	7,369
Total	\$ 22,267,144	23,518,683	17,896,567	27,889,260

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B

TANEY COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>TOTALS - VARIOUS FUNDS</u>						
RECEIPTS	\$ 29,116,723	23,988,070	(5,128,653)	20,254,255	23,518,683	3,264,428
DISBURSEMENTS	44,628,569	17,180,934	27,447,635	35,976,305	17,896,567	18,079,738
RECEIPTS OVER (UNDER) DISBURSEMENTS	(15,511,846)	6,807,136	22,318,982	(15,722,050)	5,622,116	21,344,166
CASH, JANUARY 1	27,882,440	27,889,260	6,820	22,263,333	22,267,144	3,811
CASH, DECEMBER 31	12,370,594	34,696,396	22,325,802	6,541,283	27,889,260	21,347,977
<u>GENERAL REVENUE FUND</u>						
RECEIPTS						
Property taxes	6,000	9,200	3,200	4,500	20,535	16,035
Sales taxes	5,325,000	5,303,856	(21,144)	4,800,000	5,221,854	421,854
Intergovernmental	212,359	246,820	34,461	229,700	261,587	31,887
Charges for services	1,190,550	1,279,969	89,419	913,100	1,249,977	336,877
Interest	375,000	303,587	(71,413)	240,000	437,304	197,304
Other	355,350	537,203	181,853	254,100	378,828	124,728
Transfers in	709,607	703,690	(5,917)	287,249	342,856	55,607
Total Receipts	8,173,866	8,384,325	210,459	6,728,649	7,912,941	1,184,292
DISBURSEMENTS						
County Commission	292,000	272,409	19,591	263,700	248,042	15,658
County Clerk	158,025	140,789	17,236	152,465	152,741	(276)
Elections	161,980	101,931	60,049	207,150	191,783	15,367
Buildings and grounds	500,640	437,334	63,306	298,876	259,176	39,700
Employee fringe benefits	1,026,500	981,459	45,041	941,000	768,007	172,993
County Treasurer	74,760	71,636	3,124	54,820	53,693	1,127
County Collector	212,925	180,183	32,742	196,700	186,446	10,254
Ex Officio Recorder of Deeds	186,200	166,938	19,262	169,375	164,871	4,504
Circuit Clerk	80,800	33,857	46,943	47,800	45,250	2,550
Associate Circuit Court	53,800	43,560	10,240	26,600	28,092	(1,492)
Court administration	33,778	36,173	(2,395)	24,022	21,987	2,035
Public Administrator	53,285	58,470	(5,185)	51,428	48,953	2,475
Sheriff	1,510,526	1,560,220	(49,694)	1,095,085	1,170,940	(75,855)
Jail	406,895	539,849	(132,954)	315,618	369,856	(54,238)
Prosecuting Attorney	493,560	434,175	59,385	461,575	400,180	61,395
Juvenile Officer	88,138	55,361	32,777	85,946	59,720	26,226
County Coroner	37,900	33,003	4,897	24,525	16,973	7,552
County Auditor	89,900	71,841	18,059	0	0	0
Branson Meadows TIF	192,000	89,889	102,111	200,000	180,230	19,770
Capital improvements	8,100,000	929,514	7,170,486	6,230,980	765,926	5,465,054
Insurance	150,000	184,285	(34,285)	110,000	90,921	19,079
Computer room	159,883	154,671	5,212	195,073	198,853	(3,780)
Sewer District	145,425	139,701	5,724	162,360	140,611	21,749
Public health and welfare services	26,300	34,425	(8,125)	27,100	24,300	2,800
Other	736,143	408,744	327,399	770,101	453,126	316,975
Transfers out	342,153	342,153	0	482,700	482,700	0
Emergency Fund	500,000	7,203	492,797	389,536	5,800	383,736
Total Disbursements	15,813,516	7,509,773	8,303,743	12,984,535	6,529,177	6,455,358
RECEIPTS OVER (UNDER) DISBURSEMENTS	(7,639,650)	874,552	8,514,202	(6,255,886)	1,383,764	7,639,650
CASH, JANUARY 1	7,639,650	7,639,650	0	6,255,886	6,255,886	0
CASH, DECEMBER 31	0	8,514,202	8,514,202	0	7,639,650	7,639,650

Exhibit B

TANEY COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>SPECIAL ROAD AND BRIDGE FUND</u>						
RECEIPTS						
Property taxes	0	0	0	1,000	1	(999)
Intergovernmental	1,073,500	1,068,707	(4,793)	982,000	1,135,409	153,409
Interest	125,000	145,399	20,399	75,000	170,031	95,031
Other	3,000	927	(2,073)	3,000	38,984	35,984
Transfers in	0	0	0	0	0	0
Total Receipts	1,201,500	1,215,033	13,533	1,061,000	1,344,425	283,425
DISBURSEMENTS						
Supplies	300	56	244	200	174	26
Road and bridge materials	0	0	0	1,000,000	0	1,000,000
Construction, repair, and maintenance	4,136,379	0	4,136,379	0	0	0
Other	79,000	25,630	53,370	2,053,623	44,130	2,009,493
Transfers out	278,765	278,765	0	75,049	75,049	0
Total Disbursements	4,494,444	304,451	4,189,993	3,128,872	119,353	3,009,519
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,292,944)	910,582	4,203,526	(2,067,872)	1,225,072	3,292,944
CASH, JANUARY 1	3,292,944	3,292,944	0	2,067,872	2,067,872	0
CASH, DECEMBER 31	0	4,203,526	4,203,526	0	3,292,944	3,292,944
<u>ASSESSMENT FUND</u>						
RECEIPTS						
Intergovernmental	490,000	507,495	17,495	490,000	518,741	28,741
Charges for services	10,000	7,834	(2,166)	10,000	10,801	801
Interest	12,000	10,241	(1,759)	9,000	12,522	3,522
Other	0	132	132	0	299	299
Total Receipts	512,000	525,702	13,702	509,000	542,363	33,363
DISBURSEMENTS						
Assessor	645,750	508,524	137,226	624,877	463,346	161,531
Transfers out	55,185	4,808	50,377	10,000	15,959	(5,959)
Total Disbursements	700,935	513,332	187,603	634,877	479,305	155,572
RECEIPTS OVER (UNDER) DISBURSEMENTS	(188,935)	12,370	201,305	(125,877)	63,058	188,935
CASH, JANUARY 1	188,935	188,935	0	125,877	125,877	0
CASH, DECEMBER 31	0	201,305	201,305	0	188,935	188,935
<u>LAW ENFORCEMENT TRAINING FUND</u>						
RECEIPTS						
Charges for services	3,730	7,230	3,500	4,500	7,006	2,506
Interest	100	109	9	100	277	177
Other	200	504	304	200	386	186
Total Receipts	4,030	7,843	3,813	4,800	7,669	2,869
DISBURSEMENTS						
Sheriff	9,154	9,178	(24)	7,640	5,385	2,255
Total Disbursements	9,154	9,178	(24)	7,640	5,385	2,255
RECEIPTS OVER (UNDER) DISBURSEMENTS	(5,124)	(1,335)	3,789	(2,840)	2,284	5,124
CASH, JANUARY 1	5,124	5,124	0	2,840	2,840	0
CASH, DECEMBER 31	0	3,789	3,789	0	5,124	5,124

Exhibit B

TANEY COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>PROSECUTING ATTORNEY TRAINING FUND</u>						
RECEIPTS						
Charges for services	1,691	1,771	80	2,180	1,691	(489)
Interest	186	87	(99)	55	185	130
Total Receipts	1,877	1,858	(19)	2,235	1,876	(359)
DISBURSEMENTS						
Prosecuting Attorney	4,000	1,887	2,113	2,000	994	1,006
Total Disbursements	4,000	1,887	2,113	2,000	994	1,006
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,123)	(29)	2,094	235	882	647
CASH, JANUARY 1	2,371	2,371	0	1,489	1,489	0
CASH, DECEMBER 31	248	2,342	2,094	1,724	2,371	647
<u>ROAD AND BRIDGE TRUST FUND</u>						
RECEIPTS						
Sales taxes	5,325,000	5,303,438	(21,562)	4,399,000	5,220,572	821,572
Interest	350,000	281,578	(68,422)	210,000	408,414	198,414
Other	28,000	17,873	(10,127)	6,000	9,364	3,364
Transfers in	23,231	23,231	0	0		0
Total Receipts	5,726,231	5,626,120	(100,111)	4,615,000	5,638,350	1,023,350
DISBURSEMENTS						
Salaries	1,500,000	1,250,190	249,810	1,400,000	1,203,891	196,109
Employee fringe benefits	609,000	590,753	18,247	538,000	354,405	183,595
Supplies	344,600	216,404	128,196	320,900	255,736	65,164
Insurance	65,000	106,255	(41,255)	56,000	51,438	4,562
Road and bridge materials	2,443,600	1,335,859	1,107,741	2,435,500	1,901,279	534,221
Rentals	30,000	2,896	27,104	30,000	1,100	28,900
Equipment purchases	551,000	448,578	102,422	1,257,800	823,366	434,434
Construction	6,621,873	57,466	6,564,407	4,228,264	25,226	4,203,038
Branson Meadows TIF	300,000	89,889	210,111	225,000	180,230	44,770
Other	35,300	12,766	22,534	166,800	8,657	158,143
Transfers out	102,144	102,144	0	87,500	87,500	0
Total Disbursements	12,602,517	4,213,200	8,389,317	10,745,764	4,892,828	5,852,936
RECEIPTS OVER (UNDER) DISBURSEMENTS	(6,876,286)	1,412,920	8,289,206	(6,130,764)	745,522	6,876,286
CASH, JANUARY 1	6,876,286	6,876,286	0	6,130,764	6,130,764	0
CASH, DECEMBER 31	0	8,289,206	8,289,206	0	6,876,286	6,876,286

Exhibit B

TANEY COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>TRANSFER STATION FUND</u>						
RECEIPTS						
Charges for services	287,000	425,262	138,262	285,000	385,729	100,729
Interest	1,000	16,058	15,058	1,500	12,653	11,153
Transfers in	300,000	300,000	0	200,000	200,000	0
Total Receipts	588,000	741,320	153,320	486,500	598,382	111,882
DISBURSEMENTS						
Salaries	64,821	50,313	14,508	51,508	42,836	8,672
Employee fringe benefits	19,450	11,503	7,947	19,750	16,275	3,475
Office expenditures	3,150	12,822	(9,672)	3,950	3,371	579
Equipment	335,700	218,416	117,284	91,047	6,305	84,742
Mileage and training	0	0	0	100	0	100
Utilities	3,450	2,258	1,192	4,000	3,008	992
Landfill services	350,000	233,216	116,784	350,000	348,287	1,713
Other	5,385	4,874	511	670	360	310
Contingency fund	18,201	0	18,201	0	0	0
Transfers out	308	308	0	3,000	3,000	0
Total Disbursements	800,465	533,710	266,755	524,025	423,442	100,583
RECEIPTS OVER (UNDER) DISBURSEMENTS	(212,465)	207,610	420,075	(37,525)	174,940	212,465
CASH, JANUARY 1	212,465	212,465	0	37,525	37,525	0
CASH, DECEMBER 31	0	420,075	420,075	0	212,465	212,465
<u>EMERGENCY 911 FUND</u>						
RECEIPTS						
Charges for services	476,000	529,900	53,900	450,000	487,182	37,182
Interest	53,000	48,550	(4,450)	38,500	67,906	29,406
Other	2,000	1,432	(568)	1,750	2,357	607
Total Receipts	531,000	579,882	48,882	490,250	557,445	67,195
DISBURSEMENTS						
Salaries	62,000	51,100	10,900	50,000	48,800	1,200
Employee fringe benefits	24,700	15,613	9,087	20,600	14,932	5,668
Office supplies	3,750	2,883	867	4,350	2,942	1,408
Equipment	12,800	5,706	7,094	2,500	40,267	(37,767)
Mileage and training	20,400	5,937	14,463	20,350	5,560	14,790
Service agreements	121,755	121,755	0	118,208	118,208	0
Networking	70,000	64,190	5,810	70,000	62,419	7,581
Other	59,500	14,334	45,166	175,508	12,396	163,112
Transfers out	151,063	151,063	0	125,700	151,557	(25,857)
Total Disbursements	525,968	432,581	93,387	587,216	457,081	130,135
RECEIPTS OVER (UNDER) DISBURSEMENTS	5,032	147,301	142,269	(96,966)	100,364	197,330
CASH, JANUARY 1	1,246,385	1,246,385	0	1,146,021	1,146,021	0
CASH, DECEMBER 31	1,251,417	1,393,686	142,269	1,049,055	1,246,385	197,330

Exhibit B

TANEY COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>SEWER FUND</u>						
RECEIPTS						
Sales taxes	5,324,000	5,302,950	(21,050)	4,800,000	5,220,046	420,046
Interest	182,000	293,833	111,833	186,000	318,709	132,709
Other	5,887,936	312,637	(5,575,299)	260,000	23,594	(236,406)
Transfers in	0	8,961	8,961	0	0	0
Total Receipts	11,393,936	5,918,381	(5,475,555)	5,246,000	5,562,349	316,349
DISBURSEMENTS						
Sewer construction	1,965,179	798,727	1,166,452	920,212	740,909	179,303
Distributions to incorporated areas	1,400,000	1,325,738	74,262	1,904,535	1,929,546	(25,011)
Debt principal and interest	3,464,039	861,158	2,602,881	2,411,618	1,613,980	797,638
Other	1,566,646	36,604	1,530,042	932,761	60,623	872,138
Transfers out	143,180	143,180	0	0	0	0
Total Disbursements	8,539,044	3,165,407	5,373,637	6,169,126	4,345,058	1,824,068
RECEIPTS OVER (UNDER) DISBURSEMENTS	2,854,892	2,752,974	(101,918)	(923,126)	1,217,291	2,140,417
CASH, JANUARY 1	5,912,561	5,912,561	0	4,695,270	4,695,270	0
CASH, DECEMBER 31	8,767,453	8,665,535	(101,918)	3,772,144	5,912,561	2,140,417
<u>USE TAX FUND</u>						
RECEIPTS						
Interest	120	178	58	2,400	2,369	(31)
Total Receipts	120	178	58	2,400	2,369	(31)
DISBURSEMENTS						
State of Missouri	12,237	0	12,237	22,229	10,081	12,148
Transfers out	0	8,960	(8,960)	70,000	70,000	0
Total Disbursements	12,237	8,960	3,277	92,229	80,081	12,148
RECEIPTS OVER (UNDER) DISBURSEMENTS	(12,117)	(8,782)	3,335	(89,829)	(77,712)	12,117
CASH, JANUARY 1	12,117	12,117	0	89,829	89,829	0
CASH, DECEMBER 31	0	3,335	3,335	0	12,117	12,117
<u>PROSECUTING ATTORNEY DELINQUENT SALES TAX FUND</u>						
RECEIPTS						
Intergovernmental	0	1,184	1,184	0	0	0
Interest	6	31	25	50	468	418
Total Receipts	6	1,215	1,209	50	468	418
DISBURSEMENTS						
Prosecuting Attorney	0	0	0	10,000	10,993	(993)
Total Disbursements	0	0	0	10,000	10,993	(993)
RECEIPTS OVER (UNDER) DISBURSEMENTS	6	1,215	1,209	(9,950)	(10,525)	(575)
CASH, JANUARY 1	188	155	(33)	10,680	10,680	0
CASH, DECEMBER 31	194	1,370	1,176	730	155	(575)

Exhibit B

TANEY COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>SPECIAL CHILDREN'S TRUST FUND</u>						
RECEIPTS						
Charges for services	3,200	3,782	582	3,700	3,440	(260)
Interest	175	152	(23)	100	224	124
Total Receipts	3,375	3,934	559	3,800	3,664	(136)
DISBURSEMENTS						
Domestic violence shelter	7,574	7,574	0	0	0	0
Total Disbursements	7,574	7,574	0	0	0	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,199)	(3,640)	559	3,800	3,664	(136)
CASH, JANUARY 1	5,041	5,041	0	1,377	1,377	0
CASH, DECEMBER 31	842	1,401	559	5,177	5,041	(136)
<u>SHERIFF CIVIL FEES FUND</u>						
RECEIPTS						
Charges for services	62,500	71,901	9,401	50,000	67,309	17,309
Interest	2,500	1,682	(818)	2,000	2,691	691
Other	0	0	0	0	195	195
Total Receipts	65,000	73,583	8,583	52,000	70,195	18,195
DISBURSEMENTS						
Sheriff	95,116	56,244	38,872	101,500	39,289	62,211
Transfers out	19,500	19,500	0	500	31,290	(30,790)
Total Disbursements	114,616	75,744	38,872	102,000	70,579	31,421
RECEIPTS OVER (UNDER) DISBURSEMENTS	(49,616)	(2,161)	47,455	(50,000)	(384)	49,616
CASH, JANUARY 1	49,616	49,616	0	50,000	50,000	0
CASH, DECEMBER 31	0	47,455	47,455	0	49,616	49,616
<u>PROSECUTING ATTORNEY BAD CHECK FUND</u>						
RECEIPTS						
Charges for services	20,000	33,764	13,764	14,867	26,525	11,658
Interest	750	1,423	673	400	1,504	1,104
Total Receipts	20,750	35,187	14,437	15,267	28,029	12,762
DISBURSEMENTS						
Prosecuting Attorney	25,000	4,173	20,827	0	1,932	(1,932)
Transfers out	17,750	17,500	250	23,500	16,500	7,000
Total Disbursements	42,750	21,673	21,077	23,500	18,432	5,068
RECEIPTS OVER (UNDER) DISBURSEMENTS	(22,000)	13,514	35,514	(8,233)	9,597	17,830
CASH, JANUARY 1	26,211	26,191	(20)	16,594	16,594	0
CASH, DECEMBER 31	4,211	39,705	35,494	8,361	26,191	17,830

Exhibit B

TANEY COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>SHERIFF DRUG FORFEITURE FUND</u>						
RECEIPTS						
Intergovernmental	0	8,600	8,600	0	0	0
Interest	1,952	1,074	(878)	1,054	2,110	1,056
Other	0	910	910	0	452	452
Total Receipts	1,952	10,584	8,632	1,054	2,562	1,508
DISBURSEMENTS						
Sheriff	31,096	20,617	10,479	37,745	6,766	30,979
Total Disbursements	31,096	20,617	10,479	37,745	6,766	30,979
RECEIPTS OVER (UNDER) DISBURSEMENTS	(29,144)	(10,033)	19,111	(36,691)	(4,204)	32,487
CASH, JANUARY 1	31,096	34,202	3,106	37,745	38,406	661
CASH, DECEMBER 31	1,952	24,169	22,217	1,054	34,202	33,148
<u>LOCAL EMERGENCY PLANNING COMMITTEE FUND</u>						
RECEIPTS						
Intergovernmental	3,000	4,735	1,735	0	2,694	2,694
Interest	0	325	325	200	365	165
Other	0	0	0	2,500	0	(2,500)
Transfers in	0	0	0	7,700	7,700	0
Total Receipts	3,000	5,060	2,060	10,400	10,759	359
DISBURSEMENTS						
Local emergency planning	6,375	3,877	2,498	10,400	3,362	7,038
Total Disbursements	6,375	3,877	2,498	10,400	3,362	7,038
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,375)	1,183	4,558	0	7,397	7,397
CASH, JANUARY 1	7,397	7,397	0	0	0	0
CASH, DECEMBER 31	4,022	8,580	4,558	0	7,397	7,397
<u>ELECTION SERVICES FUND</u>						
RECEIPTS						
Charges for services	1,200	5,838	4,638	1,200	5,286	4,086
Interest	30	332	302	0	111	111
Total Receipts	1,230	6,170	4,940	1,200	5,397	4,197
DISBURSEMENTS						
Election services	6,627	15	6,612	1,200	0	1,200
Total Disbursements	6,627	15	6,612	1,200	0	1,200
RECEIPTS OVER (UNDER) DISBURSEMENTS	(5,397)	6,155	11,552	0	5,397	5,397
CASH, JANUARY 1	5,397	5,397	0	0	0	0
CASH, DECEMBER 31	0	11,552	11,552	0	5,397	5,397

Exhibit B

TANEY COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
COUNTY INSURED FUND						
RECEIPTS						
Interest	15,000	14,650	(350)	3,000	20,325	17,325
Other	600	3,525	2,925	1,400	1,182	(218)
Transfers in	32,500	32,500	0	383,000	383,000	0
Total Receipts	48,100	50,675	2,575	387,400	404,507	17,107
DISBURSEMENTS						
Insurance premiums	384,188	38,763	345,425	387,400	35,712	351,688
Total Disbursements	384,188	38,763	345,425	387,400	35,712	351,688
RECEIPTS OVER (UNDER) DISBURSEMENTS	(336,088)	11,912	348,000	0	368,795	368,795
CASH, JANUARY 1	368,795	368,795	0	0	0	0
CASH, DECEMBER 31	32,707	380,707	348,000	0	368,795	368,795
DEVELOPMENTALLY DISABLED BOARD FUND						
RECEIPTS						
Property taxes	625,000	572,343	(52,657)	500,000	616,047	116,047
Interest	100,000	88,353	(11,647)	50,000	73,557	23,557
Other	0	0	0	0	6,404	6,404
Total Receipts	725,000	660,696	(64,304)	550,000	696,008	146,008
DISBURSEMENTS						
Contractual services	310,000	164,966	145,034	220,000	152,606	67,394
Transportation	100,000	84,587	15,413	90,000	86,804	3,196
Buildings and grounds	20,000	400	19,600	20,000	4,200	15,800
Insurance	10,000	6,081	3,919	10,000	4,570	5,430
Other	5,000	3,878	1,122	5,000	3,107	1,893
Emergency Fund	20,000	0	20,000	20,000	0	20,000
Total Disbursements	465,000	259,912	205,088	365,000	251,287	113,713
RECEIPTS OVER (UNDER) DISBURSEMENTS	260,000	400,784	140,784	185,000	444,721	259,721
CASH, JANUARY 1	1,515,943	1,515,943	0	1,071,222	1,071,222	0
CASH, DECEMBER 31	1,775,943	1,916,727	140,784	1,256,222	1,515,943	259,721
RECORDER USER FEE FUND						
RECEIPTS						
Charges for services	100,000	116,223	16,223	75,000	95,024	20,024
Interest	0	10,027	10,027	0	15,736	15,736
Total Receipts	100,000	126,250	26,250	75,000	110,760	35,760
DISBURSEMENTS						
Ex Officio Recorder of Deeds	40,800	46,571	(5,771)	144,026	131,917	12,109
Total Disbursements	40,800	46,571	(5,771)	144,026	131,917	12,109
RECEIPTS OVER (UNDER) DISBURSEMENTS	59,200	79,679	20,479	(69,026)	(21,157)	47,869
CASH, JANUARY 1	311,871	311,871	0	331,774	333,028	1,254
CASH, DECEMBER 31	371,071	391,550	20,479	262,748	311,871	49,123

Exhibit B

TANEY COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>ASSOCIATE CIRCUIT DIVISION INTEREST FUND</u>						
RECEIPTS						
Interest	1,800	1,229	(571)	1,000	2,039	1,039
Other	0	414	414	0	0	0
Total Receipts	1,800	1,643	(157)	1,000	2,039	1,039
DISBURSEMENTS						
Associate Circuit Division	9,263	2,689	6,574	1,750	2,812	(1,062)
Total Disbursements	9,263	2,689	6,574	1,750	2,812	(1,062)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(7,463)	(1,046)	6,417	(750)	(773)	(23)
CASH, JANUARY 1	7,463	7,501	38	7,882	8,274	392
CASH, DECEMBER 31	0	6,455	6,455	7,132	7,501	369
<u>CIRCUIT CLERK INTEREST FUND</u>						
RECEIPTS						
Interest	9,550	8,035	(1,515)	7,450	12,034	4,584
Total Receipts	9,550	8,035	(1,515)	7,450	12,034	4,584
DISBURSEMENTS						
Circuit Clerk	10,000	2,702	7,298	10,000	20,734	(10,734)
Total Disbursements	10,000	2,702	7,298	10,000	20,734	(10,734)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(450)	5,333	5,783	(2,550)	(8,700)	(6,150)
CASH, JANUARY 1	157,004	160,944	3,940	168,870	169,644	774
CASH, DECEMBER 31	156,554	166,277	9,723	166,320	160,944	(5,376)
<u>LAW LIBRARY FUND</u>						
RECEIPTS						
Charges for services	4,400	4,396	(4)	3,800	4,092	292
Total Receipts	4,400	4,396	(4)	3,800	4,092	292
DISBURSEMENTS						
Law Library	8,000	8,318	(318)	7,000	11,269	(4,269)
Total Disbursements	8,000	8,318	(318)	7,000	11,269	(4,269)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,600)	(3,922)	(322)	(3,200)	(7,177)	(3,977)
CASH, JANUARY 1	7,580	7,369	(211)	13,816	14,546	730
CASH, DECEMBER 31	\$ 3,980	3,447	(533)	10,616	7,369	(3,247)

The accompanying Notes to the Financial Statements are an integral part of this statement.

Notes to the Financial Statements

TANEY COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying special-purpose financial statements present the receipts, disbursements, and changes in cash of various funds of Taney County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, or the Developmentally Disabled Board. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 2000, the county budget law. These budgets are adopted on the cash basis of accounting.

Warrants issued were in excess of budgeted amounts for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Law Enforcement Training Fund	2001
Prosecuting Attorney Delinquent Sales Tax Fund	2000
Recorder User Fee Fund	2001
Associate Circuit Division Interest Fund	2000
Circuit Clerk Interest Fund	2000
Law Library Fund	2001 and 2000

Section 50.740, RSMo 2000, prohibits expenditures in excess of the approved budgets.

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 2000, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund.

However, the county's published financial statement for the year ended December 31, 2000, did not include the Special Children's Trust Fund and the Sheriff Drug Forfeiture Fund. In addition, for the Developmentally Disabled Board Fund, the county's published financial statement for the year ended December 31, 2001, included only those amounts that passed through the County Treasurer.

2. Cash

Section 110.270, RSMo 2000, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2000, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has adopted such a policy. The policy permits investment in securities having principal and interest guaranteed by the United States government, collateralized repurchase agreements, and collateralized time and demand deposits.

Cash includes both deposits and investments. In accordance with Statement No. 3 of the Governmental Accounting Standards Board, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, disclosures are provided below regarding the risk of potential loss of deposits and investments. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions. Investments are securities and other assets acquired primarily for the purpose of obtaining income or profit.

Deposits

The county's deposits at December 31, 2001 and 2000, were entirely covered by federal depositary insurance or by collateral securities held by the county's custodial bank in the county's name.

The Developmentally Disabled Board's deposits at December 31, 2001 and 2000, were entirely covered by federal depositary insurance or by collateral securities held by the custodial bank in the Board's name. However, because of significantly higher bank balances at certain times during the year, uninsured and uncollateralized balances existed at those times although not at year-end.

To protect the safety of county deposits, Section 110.020, RSMo 2000, requires depositaries to pledge collateral securities to secure county deposits not insured by the Federal Deposit Insurance Corporation.

Investments

The only investments of the various funds at December 31, 2001 were a repurchase agreement with a reported amount of \$11,395,448 (which approximates fair market value) and debt securities with reported amounts of \$11,888,522 (which approximates fair market value).

The \$11,888,522 represents uninsured and unregistered investments for which the securities were held by the dealer bank's trust department or agent in the county's name, and \$11,395,448 represents uninsured and unregistered investments for which the securities were held by the dealer bank, or by its trust department or agent but not in the county's name.

The only investment of the various funds at December 31, 2000 was a repurchase agreement with a reported amount of \$12,179,507 (which approximates fair market value). This amount at December 31, 2000, \$12,179,507 represents uninsured and unregistered investments for which the securities were held by the dealer bank, or by its trust department or agent but not in the county's name.

3. Prior Period Adjustment

The Sheriff Drug Forfeiture Fund's cash balance at January 1, 2000, as previously stated has been increased by \$35,425 to reflect the actual combined cash balance of both the County Treasurer's Sheriff Drug Forfeiture Fund and the monies held in the Sheriff's bank account. The prior report noted only the monies held in the Sheriff's bank account.

Supplementary Schedule

Schedule

TANEY COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2001	2000
U. S. DEPARTMENT OF AGRICULTURE				
Passed through state:				
Department of Health -				
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	ERO045-0207 ERS0451-207W ERS045-2207	\$ 0 135,105 40,359	123,020 40,365 0
	Program Total		<u>175,464</u>	<u>163,385</u>
Office of Administration -				
10.665	Schools and Roads - Grants to States	N/A	20,263	92,774
U.S. DEPARTMENT OF JUSTICE				
Passed through:				
Missouri Sheriffs' Association -				
16.unknown	Domestic Cannabis Eradication/Suppression Program	N/A	1,005	2,082
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through state:				
Department of Public Safety -				
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	N/A	3,877	3,362
GENERAL SERVICES ADMINISTRATION				
Passed through state Office of Administration -				
39.003	Donation of Federal Surplus Personal Property	N/A	0	3,210
FEDERAL EMERGENCY MANAGEMENT AGENCY				
Passed through state Department of Public Safety:				
83.534	Emergency Management - State and Local Assistance	N/A	3,000	2,917

Schedule

TANEY COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2001	2000
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through state:				
Department of Health -				
93.197	Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	ERS146-1207L	1,094	0
93.268	Immunization Grants	N/A	87,277	73,191
Department of Social Services -				
93.563	Child Support Enforcement	N/A	23,171	16,309
Department of Health -				
93.575	Child Care and Development Block Grant	PGA067-02078	0	3,395
		PGA067-12078	3,125	955
		PGA067-22078	525	0
	Program Total		<u>3,650</u>	<u>4,350</u>
93.778	Medical Assistance Program	N/A	18	0
93.919	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	ERS161-00050	0	9,733
		ERS161-10010	11,224	6,860
		ERS161-20050	6,591	0
	Program Total		<u>17,815</u>	<u>16,593</u>
93.991	Preventive Health and Health Services Block Grant	N/A	0	805
93.994	Maternal and Child Health Services Block Grant to the States	ERS146-0207M	0	14,456
		ERS146-1207M	16,817	5,278
		ERS146-2207M	5,801	0
		ERS175-0207F	0	14,870
		ERS175-1207F	15,560	5,279
		ERS175-2075F	3,416	0
		C100015074	65	0
		C000164001	0	13,000
		N/A	7,892	4,025
	Program Total		<u>49,551</u>	<u>56,908</u>
Social Security Administration -				
96.001	Social Security--Disability Insurance	623396 S034061	56	0
	Total Expenditures of Federal Awards		<u>\$ 386,241</u>	<u>435,886</u>

N/A - Not applicable

The accompanying Notes to the Supplementary Schedule are an integral part of this schedule.

Notes to the Supplementary Schedule

TANEY COUNTY, MISSOURI
NOTES TO THE SUPPLEMENTARY SCHEDULE

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Taney County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

Except as noted below, the schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

Amounts for the Donation of Federal Surplus Personal Property (CFDA number 39.003) represent the estimated fair market value of property at the time of receipt.

Amounts for Immunization Grants (CFDA number 93.268) and the Maternal and Child Health Services Block Grant to the States (CFDA number 93.994) include both cash disbursements and the original acquisition cost of vaccines obtained by the Health Center through the state Department of Health. Amounts for the Preventive Health and Health Services Block Grant (CFDA number 93.991) include both cash disbursements and the original acquisition cost of vaccines during the year ended December 31, 2000.

2. Subrecipients

The county provided no federal awards to subrecipients during the years ended December 31, 2001 and 2000.

FEDERAL AWARDS -
SINGLE AUDIT SECTION

State Auditor's Report



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission
and
Officeholders of Taney County, Missouri

Compliance

We have audited the compliance of Taney County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2001 and 2000. The county's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the county's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the county's compliance with those requirements.

In our opinion, Taney County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2001 and 2000.

Internal Control Over Compliance

The management of Taney County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the county's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the management of Taney County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, reading "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" and last name "McCaskill" clearly distinguishable.

Claire McCaskill
State Auditor

May 22, 2002 (fieldwork completion date)

Schedule

TANEY COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
YEARS ENDED DECEMBER 31, 2001 AND 2000

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? _____ yes x no

Reportable conditions identified that are
not considered to be material weaknesses? _____ yes x none reported

Noncompliance material to the financial statements
noted? _____ yes x no

Federal Awards

Internal control over major programs:

Material weaknesses identified? _____ yes x no

Reportable conditions identified that are
not considered to be material weaknesses? _____ yes x none reported

Type of auditor's report issued on compliance for
major program(s): Unqualified

Any audit findings disclosed that are required to be
reported in accordance with Section .510(a) of OMB
Circular A-133? _____ yes x no

Identification of major program(s):

CFDA or
Other Identifying
Number

Program Title

10.557 Special Supplemental Nutrition Program for Women, Infants, and Children

10.665 Schools and Roads – Grants to States

Dollar threshold used to distinguish between Type A
and Type B programs: \$300,000

Auditee qualified as a low-risk auditee? _____ yes x no

Section II - Financial Statement Findings

This section includes no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

Section III - Federal Award Findings and Questioned Costs

This section includes no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

Follow-Up on Prior Audit Findings for an
Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards*

TANEY COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

The prior audit report issued for the two years ended December 31, 1999, included no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

Summary Schedule of Prior Audit Findings
in Accordance With OMB Circular A-133

TANEY COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133 requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

The prior audit report issued for the two years ended December 31, 1999, included no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -
State Auditor's Findings

TANEY COUNTY, MISSOURI
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

We have audited the special-purpose financial statements of various funds of Taney County, Missouri, as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated May 22, 2002. We also have audited the compliance of Taney County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2001 and 2000, and have issued our report thereon dated May 22, 2002.

We also have audited the operations of elected officials with funds other than those presented in the special-purpose financial statements. As applicable, the objectives of this audit were to:

1. Determine the internal controls established over the transactions of the various county officials.
2. Review and evaluate certain other management practices for efficiency and effectiveness.
3. Review certain management practices and financial information for compliance with applicable legal provisions.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances. In this regard, we reviewed accounting and bank records and other pertinent documents and interviewed various personnel of the county officials.

As part of our audit, we assessed the controls of the various county officials to the extent we determined necessary to evaluate the specific matters described above and not to provide assurance on those controls. With respect to controls, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation and we assessed control risk.

Because the Health Center Board of Trustees is audited and separately reported on by other independent auditors, the related fund is not presented in the special-purpose financial statements. However, we reviewed that audit report and other applicable information.

Our audit was limited to the specific matters described in the preceding paragraphs and was based on selective tests and procedures considered appropriate in the circumstances. Had we performed additional procedures, other information might have come to our attention that would have been included in this report.

The accompanying Management Advisory Report presents our findings arising from our audit of the elected county officials and the county board referred to above. In addition, this report includes

findings other than those, if any, reported in the accompanying Schedule of Findings and Questioned Costs. These findings resulted from our audit of the special-purpose financial statements of Taney County but do not meet the criteria for inclusion in the written report on compliance and on internal control over financial reporting that is required for an audit performed in accordance with *Government Auditing Standards*.

1.	Budgets
-----------	----------------

- A. As noted in a previous audit report, the approved budgets did not adequately project the anticipated financial condition of most major county funds for either of the two years ended December 31, 2001. Expenditures were budgeted to use substantially all available resources. This approach has resulted in significant over-budgeting of disbursements and inaccurate projections of ending cash balances. The following are estimated cash balances compared to actual cash balances at December 31, 2001 and 2000:

<u>Year Ended December 31,</u>	<u>Cash Balance</u>	
	<u>Budget</u>	<u>Actual</u>
General Revenue Fund		
2001	\$ 0	8,514,202
2000	0	7,639,650
Special Road and Bridge Fund		
2001	0	4,203,526
2000	0	3,292,944
Assessment Fund		
2001	0	201,305
2000	0	188,935
Road and Bridge Trust Fund		
2001	0	8,289,206
2000	0	6,876,286
Transfer Station Fund		
2001	0	420,075
2000	0	212,465
County Insured Fund		
2001	32,707	380,707
2000	0	368,795

Similar problems were noted with the county's 2002 budget. Prudent fiscal

management of county funds should include setting aside reasonable, but not excessive, amounts of operating reserves to be used in future years or to be available for emergencies. While it appears the County Commission's intent is to accumulate funds for future projects in several of the major county funds, the current budgets do not effectively inform county residents of this intent. For instance, the 2001 Special Road and Bridge Fund and Road and Bridge Trust Fund budgets included more than \$10.5 million budgeted for contingencies; however, the county did not have specific plans for these funds, and historically has not spent these funds. As a result, the county's current budgeting procedures do not provide an adequate tool for monitoring and comparing actual results with estimated amounts or for monitoring the overall fund balances.

In addition, the county does not adequately monitor the balances of the various special revenue funds and the transfers into these funds. For example, \$275,000 was transferred from the General Revenue Fund to the County Insured Fund in 2000, but only \$35,712 was expended, and the county has no documented plans for the remaining fund balance. Further, during 2001 and 2000 the General Revenue fund transferred a total of \$500,000 to the Transfer Station Fund, and as of December 31, 2001, the Transfer Station Fund had a cash balance of over \$420,000 for which the county has no documented plans. To ensure all transfers of funds into the county's special revenue funds are necessary, the county should adequately monitor the balances of these funds.

To be of maximum assistance to the county and to adequately inform the public, the budgets should accurately reflect the anticipated receipts, expenditures and ending cash balance. The practice of routinely budgeting to spend the majority of all available resources decreases the effectiveness of the budget as a management planning tool and as a control over expenditures. In addition, the county should adequately monitor transfers to special revenue funds to ensure all transfers are necessary.

- B. Although formal budgets were adopted as required by law, the budgets for the year ended December 31, 2002, did not include the two previous years' actual revenues and expenditures for the following funds:

Fund

Prosecuting Attorney Bad Check Fund
Developmentally Disabled Board Fund
Recorder User Fee Fund
Associate Circuit Division Interest Fund
Circuit Clerk Interest Fund
Law Library Fund

The amounts shown on Exhibit B of the audited special purpose financial statements were obtained from the receipt and disbursements records of various county officials.

Budgets for 2001 and 2000 included this information. Section 50.590, RSMo 2000, requires budgets to include information for the last two completed fiscal years to provide a comparison with the estimates for the current fiscal year.

WE RECOMMEND the County Commission:

- A. Estimate receipts and disbursements to closely reflect anticipated actual amounts so that the budget documents present a reasonable estimate of the county's financial plan and ending balances.
- B. Report actual revenues and expenditures of the two previous years on the budgets, as required by state law.

AUDITEE'S RESPONSE

The County Commission provided the following responses:

- A. *Taney County implemented a self-funded dental program, which required the creation of a \$275,000 budget. The county must be prepared to pay the maximum amount for each employee within a fiscal year, and the maximum amount is \$1,500 per employee.*

One of the major haulers in Taney County took its services elsewhere creating approximately a 60% revenue deficit. This deficit required that the Transfer Station Fund be subsidized from General County Revenue. However, in October the machinery broke down causing the facility to close for approximately three months.

The county will implement the State Auditor's recommendation regarding the ending balances of each budgetary fund, and the county will in the future note the anticipated purpose for any surplus listed in the budget.

- B. *The county will continue to request the extra budget reports as required and keep the necessary documents in the budget file regarding any requests or responses thereto.*

2. County Expenditures and Written Agreements
--

- A. A review of expenditures indicated that the county generally made efforts to seek competitive bids for most major purchases; however, several items purchased by the county and elected officials were noted in which bids were not solicited. In addition, we noted instances in which purchases exceeding \$4,500 were made from a single entity within a period of ninety days without the solicitation of bids. Purchases reviewed for which bids were not solicited are as follows:

<u>Item purchased</u>	<u>Cost</u>
Airline tickets to transport prisoners (one month)	\$9,946
Supplies for repairs at the road and bridge department	5,771
Supplies for remodeling and repair of the courthouse	5,955
Vehicle parts and supplies	7,758

Most of these purchases were made by more than one department or over a period of time. The county typically does not bid these type of purchases unless the initial purchase made by one of the departments exceeds the \$4,500 limit.

Section 50.660, RSMO 2000, requires the advertisement of bids for all purchases of \$4,500 or more, from any one person, firm, or corporation during any period of ninety days. Bidding procedures for major purchases provide a framework for economical management of county resources and help assure the county receives fair value by contracting with the lowest and best bidders. In addition, competitive bidding ensures all interested parties are given an equal opportunity to participate in county business. The designation of an employee as the county's purchasing agent, or the development of a written procurement policy for employees to follow, could help the county achieve these goals and also help ensure compliance with applicable state laws.

- B. In addition to the items discussed in Part A., the county paid Silver Dollar City, a company that Associate County Commissioner Herschend has a direct financial interest in, \$5,965 for eight desks. The county indicated that this amount represents the wholesale cost of the desks, and the same amount was paid by Silver Dollar City to the wholesaler. While the county provided documentation of price comparison for similar types of desks, the county did not advertise the purchase of the desks. This transaction appears to violate state law. Sections 105.454 and 105.458, RSMo 2000, prohibit financial transactions between the county and a business in which an elected official has a direct financial interest in excess of \$500 per transaction or \$1,500 per year unless there has been public notice to solicit proposals and (except for real property) competitive bidding.
- C. In the summer of 2001, the county held an employee recognition picnic which all county officials and employees, their spouses, and children were invited to attend. The county paid costs related to the picnic totaling \$1,127. These expenditures included food, rental of a pavilion at the park, as well as outdoor recreational items and insulated mugs.

Although the County Commission indicated they believe such expenditures benefited employee morale, the expenditures do not appear to be a proper use of county funds. The County Commission should ensure county funds are spent only on items which are necessary and beneficial to county residents.

- D. The County Collector provides property tax collection services to cities. Commissions are withheld from all city tax collections and paid to the General Revenue Fund. Section 50.332, RSMo 2000, allows county officials, with the approval of the county commission, to perform services for cities that they normally provide to the county. Section 432.070, RSMo 2000, requires contracts of political subdivisions be in writing. A written contract signed by the city, the County Collector, and the County Commission should be prepared.

WE RECOMMEND the County Commission:

- A. Solicit bids for all purchases in accordance with state law. In addition, the Commission should consider designating an employee as the purchasing agent for the county or develop a written procurement policy for employees to follow.
- B. Review the related party transactions for propriety, and in the future, avoid transactions that represent actual conflicts of interest or the appearance of conflicts of interest.
- C. Ensure all expenditures of county monies are necessary and prudent uses of public funds.
- D. Obtain a written agreement with all cities for tax collections.

AUDITEE'S RESPONSE

The County Commission provided the following responses:

- A. *Airfare varies depending upon day of the week, destination and many other factors. While Taney County has always priced tickets to obtain the best value, annual bidding is not helpful. However, Taney County has bid its travel agent fees for 2002.*

Taney County has solicited for all reasonable foreseeable items. The use of the preferred vendors who were awarded the bids should avoid this problem during 2002. Further, the county has implemented a new purchasing policy to help ensure that the various county departments combined do not expend more than \$4,500 on any unbid items from any one entity during any 90-day period.

- B. *The desks were purchased at wholesale from the manufacturer, Winners. Winners is neither owned by nor affiliated with Silver Dollar City. Taney County merely purchased the desks through Silver Dollar City to obtain the wholesale price which otherwise would have been unavailable to the county. Silver Dollar City did not charge Taney County anything for providing this service, nor did Silver Dollar City receive any consideration for the desk transactions.*

A service provided at no cost does not violate Section 105.454.1 RSMo. Further, a transaction involving no consideration violates neither Section 105.454 RSMo nor Section 105.458 RSMo.

The Taney County Commission does agree with the State Auditor that the appearance of impropriety should be avoided, even when a transaction greatly benefits the county.

- C. Taney County viewed the employee picnic as beneficial to county employee morale, and therefore beneficial to Taney County taxpayers. County employees' satisfaction with their jobs contributes to a decreased turnover rate. Excessive turnover is costly to Taney County taxpayers. The county would also note that happy/satisfied employees are more productive and create more value to the taxpayers.*
- D. Section 50.332 RSMo states counties may contract with cities. The Taney County Collector states her understanding of the law is that she is required to collect municipal taxes without any contract pursuant to RSMo 137.115, 137.290, 139.090 & 100 and 140.170.1 2 et al; and she does not intend to seek any such contracts for the commission to approve.*

The Commission agrees that any proposed contract should be in writing. However, the county's consideration for providing tax collection services to municipalities is provided for by Missouri Statute. Therefore, the County Commission condones the current tax collection process, because it generates more revenue to the county than it costs, and is good for both the county and the cities.

3. County Officials' Compensation
--

Section 50.333.13, RSMo, enacted in 1997, allowed salary commissions meeting in 1997 to provide mid-term salary increases for associate county commissioners elected in 1996. The motivation behind this amendment was the fact that associate county commissioners' terms had been increased from two years to four years. Based on this statute, in 1999 Taney County's Associate County Commissioners salaries were each increased approximately \$3,480 yearly, according to information provided by the County Auditor.

On May 15, 2001, the Missouri Supreme Court handed down an opinion in a case against the Laclede County Associate Commissioners that challenged the validity of that statute. The Supreme Court held that this section of statute violated Article VII, section 13 of the Missouri Constitution, which specifically prohibits an increase in compensation for state, county and municipal officers during the term of office. This case, *Laclede County v. Douglas et al.*, holds that all raises given pursuant to this statute section are unconstitutional.

Based on the Supreme Court decision, the raises given to each of the Associate County Commissioners, totaling approximately \$6,960 for the two years ended December 31, 2000, should be repaid.

WE RECOMMEND the County Commission review the impact of this court decision and develop a plan for obtaining repayment of the salary overpayments.

AUDITEE'S RESPONSE

The County Commission provided the following responses:

There has been no judicial determination finding that the raises given to two former Taney County Associate Commissioners elected during 1996 were improper or illegal. Clearly, there is no existing judgment which permits the present commission to forcibly collect repayment of the raises, which the now retired Associate Commissioners accepted in good faith.

4. Property Tax System Contract
--

In February 1999, the County Commission entered into a contract with an individual for the development of a computerized property tax system. The Commission did not solicit bids for these services prior to entering into the contract. The original contract with the programmer was for \$32,100 (\$15,100 for computer hardware and software and \$17,000 for the programmer's services in developing the system). In September 1999, the Commission approved the extension of the contract with the programmer for an additional \$32,000 because he needed additional time to complete the project. The Commission's decision to contract with the programmer was based largely on the recommendation of officials from a local municipality for which the programmer was then providing computer services; however, the services provided to the municipality did not include the development of a property tax system.

The County Commission ended their relationship with the programmer in February 2000, at which time he had still not produced a completed property tax program for the county.

The county paid \$71,500 (including a termination payment of \$4,500 and \$2,900 additional software and hardware related costs) to the programmer for his work to develop a property taxation program which he originally contracted to do for \$32,100. The programmer never produced a final product for the county. The county also paid the programmer an additional \$20,000 to provide assistance in addressing the county's Y2K concerns and other programming efforts which was also not bid.

Without soliciting proposals from qualified providers, the County Commission had no assurance that the property tax system was being obtained from the best source. Given the fact there were property tax system computer programs already in use by Missouri counties which had been proven successful, the decision to hire this programmer to develop the new program appears questionable. The county's residents have placed a fiduciary trust in their public officials to expend public funds in a prudent manner.

In February 2000, after receiving bids and seeking the input of applicable county personnel, the Commission accepted a bid for a new taxation system. As of June 5, 2002, the county had disbursed a total of \$49,820 to this programmer.

WE RECOMMEND the County Commission solicit bids in all applicable situations in accordance with state law. We further recommend that in the future, before entering into major contracts, the Commission give careful consideration to various alternatives and evaluate the qualifications of potential service providers to ensure all expenditures represent a prudent use of public funds.

AUDITEE'S RESPONSE

The County Commission provided the following responses:

As most in business know, the process of hiring computer programmers to develop the right software for a specialized need is a difficult task. Taney County has learned this lesson the hard way. Taney County is now on its fifth tax collection computer hardware and software system in 15 years.

During 1997, Taney County hired a programmer pursuant to an extensive request for proposals and interview process. The programmer had an M.A. in the pertinent subject area and also taught the discipline at the college level. However, the programming did not progress as expected. After nearly two years and after an expenditure of more than \$100,000, Taney County was still without a workable computerized property tax system.

Since the Taney County Commission had already reviewed the other proposals and had interviewed other candidates, the commission decided to retain a professional programmer who was finishing some work for the City of Branson. This programmer is the one referred to in the State Audit. This programmer came highly recommended, with impressive credentials, and assurances that he was eminently capable of designing a program that would fit the county's needs.

During the time this programmer was working for Taney County, he provided valuable training for the county's technical staff, upgraded our network system, converted, purged and cleaned our existing database, and fully protected the county's entire system from Y2K problems for much less than other counties paid.

Regrettably, this programmer, like his predecessor, was not successful in providing Taney County with an effective computerized property tax system. Currently, the county has a marginally satisfactory (albeit antiquated) software program. In retrospect, (hindsight being 20/20) the county would have proceeded differently.

In the future, the county intends to follow the State Auditor's recommendations by publishing requests for qualifications, and by being much more careful when hiring computer professionals.

5.**General Fixed Assets**

The County Commission or its designee is responsible for maintaining a complete detailed record of county property. Currently, the County Auditor maintains a computerized inventory listing of fixed assets held by county officials. However, during our review of equipment purchases, we noted fourteen of sixteen items were not recorded on the county's general fixed asset listing. These items were purchased for approximately \$631,200. Additions to the inventory listing are not reconciled to equipment expenditures to ensure all fixed assets are properly recorded. In addition, a complete inventory of county assets has not been completed since 2000.

Adequate general fixed asset records are necessary to secure better internal control over county property, meet statutory requirements, and provide a basis for determining proper insurance coverage required on county property. Physical inventories of county property are necessary to ensure the fixed asset records are accurate, identify any unrecorded additions and deletions, detect theft of assets, and identify obsolete assets.

Section 55.160, RSMo 2000, provides the County Auditor shall keep an inventory of all county property and shall annually take an inventory of all county property with an original value of \$250 or more.

WE RECOMMEND the County Commission establish a written policy related to the handling and accounting for general fixed assets. In addition to providing guidance on accounting and record keeping, the policy could include necessary definitions, address important dates, establish standardized forms and reports to be used, discuss procedures for the handling of asset disposition, and any other concerns associated with county property. In addition, annual inventories of all county property should be performed.

AUDITEE'S RESPONSE

The County Commission provided the following responses:

Taney County has implemented a portion of the policies and procedures recommended by the State Auditor, and are currently working on the remainder.

6.**Circuit Clerk and Ex Officio Recorder of Deeds**

- A. The Circuit Clerk Interest Fund and Recorder User Fee Fund under the Circuit Clerk's authority have accumulated substantial balances. During 2000 and 2001, over \$200,000 was spent from these funds combined, but as of December 31, 2001, the balance of the Circuit Clerk Interest Fund and Recorder User Fee Fund still totaled \$166,277 and \$391,550, respectively. While the Circuit Clerk has indicated some of these monies will be utilized on new equipment when a new facility is completed,

there are no formal documented plans on how the funds will be utilized. The Circuit Clerk/Ex Officio Recorder of Deeds should work with the County Commission to review the fund balance and develop a plan to utilize the funds as allowed by Section 483.310 and 59.319, RSMo 2000, and reduce the accumulated balance.

- B. The Ex Officio Recorder of Deeds serves as the custodian of the Recorder User Fee Fund although there is no authority to allow this. Section 59.319, RSMo 2000, requires the Recorder User Fee Fund to be maintained by the County Treasurer.
- C. A listing of accrued costs due the court is not maintained by the Circuit Clerk, nor are monitoring procedures adequate. When a case is closed, a bill is sent requesting payment and a copy is filed in the case file. The Circuit Clerk indicated that her deputies periodically review case files to follow up on amounts due. If a listing of accrued costs was periodically prepared, the Circuit Clerk could review the amounts owed the court and take appropriate steps to ensure all amounts owed are collected on a timely basis. By not adequately monitoring accrued costs, these outstanding costs remain uncollected and might eventually result in lost revenue.

Similar conditions were noted in previous audit reports.

WE AGAIN RECOMMEND the Circuit Clerk/Ex Officio Recorder of Deeds:

- A. Work with the County Commission to review the balance of the Circuit Clerk Interest Fund and the Recorder User Fee Fund and prepare a formal plan to utilize the funds and reduce the accumulated balance.
- B. Turn custody of the Recorder User Fee Fund to the County Treasurer, as required by state law.
- C. Maintain a list of uncollected fees for collection purposes and establish procedures to follow up on all amounts due.

AUDITEE'S RESPONSE

The Circuit Clerk provided the following responses:

- A. *I believe the County Commission is aware of my plans and the balance in the accounts.*
- B. *I will be turning the fund over to the County Treasurer prior to leaving office at the end of the year.*
- C. *We will keep pursuing the uncollected amounts and attempt to generate a report of uncollected amounts from the computer system.*

The Associate Circuit Court is divided into two Divisions. Division I processes receipts for criminal cases, traffic tickets, and bonds. Division II processes receipts for civil cases. We noted the following concerns regarding the Associate Divisions' operations:

- A. Accounting and bookkeeping duties are not adequately segregated in Division II. Currently, the responsibilities of collecting monies, recording and depositing receipts, month-end reconciliations, and preparing and signing checks are assigned to one employee. There is no documented independent review of the accounting records and reconciliations.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation cannot be achieved, the Associate Circuit Judge should at least compare bank deposits with recorded receipts and review monthly reconciliations. Proper supervision and documented reviews help ensure that financial records are properly maintained and help detect errors on a timely basis.

- B. An open-items list is prepared for Division I; however, the open items listing exceeded the reconciled cash balance by \$1,145 at December 31, 2001. The Associate Court Clerk informed us that the open items listing is not correct. The listing contained errors, including items with negative balances, and \$1,213 that could not be related to specific cases.

An accurate listing of open items should be maintained and reconciled to the related cash balance monthly to ensure records are in balance and sufficient funds are available for the payment of all liabilities. The Associate Court Clerk should attempt to determine the reason for any unidentified liabilities that are determined to exist, and if proper disposition cannot be determined, dispose of them in accordance with state law.

- C. An accurate listing of accrued costs owed to the court is not maintained for Division I. The Associate Court Clerk should review the status of all old cases, and if all costs have not been received, collection of outstanding amounts should be pursued. By not adequately monitoring accrued costs, these costs could remain uncollected and might eventually result in lost revenue.

A complete and accurate listing of accrued costs would allow the Associate Court Clerk to more easily review the amounts due to the court and to take appropriate steps to ensure amounts owed are collected on a timely basis.

WE RECOMMEND the Associate Circuit Judges:

- A. Segregate the duties of handling, recording, distributing, and reconciling cash. If segregation of duties is not possible, at a minimum, an independent review of the receipts and deposits and monthly bank reconciliations should be performed and documented.
- B. Conduct a case by case review to determine the accuracy of each entry on the open items listing. Once an accurate open items listing is established, reconcile it to the cash balance to ensure records are in balance, and sufficient funds are available for the payment of all liabilities. Any monies remaining unidentified should be disposed of in accordance with unclaimed property statutes.
- C. Maintain a complete listing of accrued costs and establish procedures to routinely follow-up and pursue timely collection.

AUDITEE'S RESPONSE

The Division II Associate Judge provided the following response:

- A. *I will review and initial the month-end bank statements and open items list.*

The Division I Associate Clerk provided the following response:

B&C. In April 1999 I requested an auditor from the Office of State Court Administrator to assist with creating an open item list and assist with updating the books, since the books had not been completed for 6 months and I was taking over the office as clerk. \$1,213.00 was the amount of unidentified open items, to date that is the same amount we have on record. As to Section C on the report, every month we issue warrants and suspend licenses for not paying court costs. I do create a monthly report of outstanding court costs, at this time we do not have the staff to adequately monitor all cases.

In discussing the concerns from the Auditor with Judge Tony Williams, our intention is to attempt to find and correct any errors on our open items list. Also, with regards to outstanding court costs we will be reviewing the monthly report and follow-up with collection.

8. Sheriff's Accounting Procedures

The Sheriff's office collects approximately \$300,000 annually in fees, bonds, and other miscellaneous receipts. Six bank accounts are maintained: one for fees, one for bonds, one for prisoner transportation reimbursements, one for drug forfeitures, and two for inmate monies. Our review noted the following concerns regarding the accounting records, controls, and procedures of the Sheriff's office.

- A. In January 2002, the Sheriff's office was holding approximately \$1,700 in a bank account previously used for inmate monies. Due to problems reconciling the balance of this account to known liabilities, the office opened a new account for inmate monies in June 2001. The office also instituted improved procedures for accounting for inmate monies at that time.

The balance of the old inmate account should be reviewed in an attempt to identify whom the monies are owed and whether the monies can be distributed. Any remaining unidentified monies should be distributed in accordance with state law.

- B. The Sheriff's office uses a computerized accounting system to perform monthly bank reconciliations for all of their bank accounts. Bank reconciliations performed for December 2001 for two of the bank accounts were inaccurate. Outstanding check lists for these reconciliations were not complete. Some checks which were issued were not posted to the computerized check register at the time the reconciliations were performed. This resulted in cash balances being misstated on the reconciliations.

Complete and accurate bank reconciliations are necessary to ensure accounting records are in agreement with the bank, and errors or discrepancies are detected and corrected timely.

- C. Checks received are not always restrictively endorsed immediately upon receipt. To reduce the risk of loss or misuse of funds, checks and money orders should be restrictively endorsed immediately upon receipt.

WE RECOMMEND the Sheriff:

- A. Review the balance of the old inmate account in an attempt to identify whom the monies are owed and whether the monies can be distributed. Any remaining unidentified monies should be distributed in accordance with state law.
- B. Ensure all activity is posted to the accounting records in a timely manner to ensure monthly bank reconciliations are complete and accurate.
- C. Restrictively endorse all checks immediately upon receipt.

AUDITEE'S RESPONSE

The Sheriff provided the following response:

- A. *As your staff recommended at the exit interview, after attempting to distribute the monies in the account, we closed the amount on May 22, 2002 and transferred the balance to the Taney County Treasurer for deposit in the Unclaimed Fees account in accordance with state law.*

- B. *Beginning in June of 2002, all bank activity is posted in a timely manner to accurately reflect current cash balances.*
- C. *Beginning in June of 2002, all checks have been restrictively endorsed upon receipt.*

9. Developmentally Disabled Board

- A. The Developmentally Disabled Board has accumulated a significant cash balance without any specific documented plans for its use. The board receives over \$550,000 in property taxes each year and only expends approximately \$250,000 on contractual services. During the two years ended December 31, 2001 total receipts exceeded total disbursements by \$845,505, resulting in the cash balance of the Developmentally Disabled Board Fund increasing from \$1,071,222 at December 31, 1999 to \$1,916,727 at December 31, 2001. While the board has indicated their intent to construct a new building, the scope of the project and the estimated cost for the new facility have not been formally documented in the annual budget. As a result, it is not clear whether the board has properly set their property tax levy to support their regular efforts and the planned facility costs. The board should determine its future needs, and consider such information when setting future property tax levies.
- B. The Developmentally Disabled Board's funds were not fully covered by collateral securities at times during the year. The collateral securities pledged by the board's depository bank to cover deposits were insufficient by \$4,285 at January 29, 2002. The board apparently did not monitor collateral securities pledged against bank account balances. Monitoring Federal Deposit Insurance Corporation (FDIC) and collateral securities coverage becomes even more critical if the board's available monies continue to increase as they have in recent years.

Section 110.020, RSMo 2000, provides the value of collateral securities pledged to secure county funds shall at all times be not less than 100 percent of the actual amount on deposit less the amount insured by the Federal Deposit Insurance Corporation. Inadequate collateral securities leave county funds unsecured and subject to loss in the event of a bank failure.

WE RECOMMEND the Developmentally Disabled Board:

- A. Review the cash balance and consider reducing the property tax levy. If plans have been made for expending the accumulated fund balance, such plans should be set forth publicly in the budget document.
- B. Monitor the bank balance and ensure adequate securities are pledged for all funds on deposit in excess of FDIC coverage.

AUDITEE'S RESPONSE

The Developmentally Disabled Board provided the following responses:

- A. The Taney County Board for the Developmentally Disabled concurs that its annual budget should include documentation of the scope and estimated cost of proposed future construction projects. The Board is currently working to identify the scope and potential uses of the proposed facility for submission to an architect for development of a site plan and accurate estimates of construction and operation. Future annual budgets and periodic amendments will contain such documentation as soon as it is available. This information will also be considered by the Board in determining its future needs and establishment of future property tax levies.*
- B. The Treasurer of the Taney County Board for the Developmentally Disabled has obtained written documentation of collateral securities pledged by the depositary bank to cover deposits over the FDIC insured maximum of \$100,000, and has determined that such securities currently held by the depositary bank are sufficient to fully secure all Board deposits. The Treasurer and Executive Director will monitor the bank balance on a regular basis and will inform the depositary bank when deposits are anticipated to exceed the current level of collateral securities, so that all Board deposits remain fully secured.*

This report is intended for the information of the management of Taney County, Missouri, and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

Follow-Up on Prior Audit Findings

TANEY COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Taney County, Missouri, on findings in the Management Advisory Report (MAR) of our audit report issued for the two years ended December 31, 1997.

The prior recommendations which have not been implemented, but are considered significant, are repeated in the current MAR. Although the remaining unimplemented recommendations are not repeated, the county should consider implementing those recommendations.

1. Expenditures

- A. Additional bids or proposals were not solicited for a change order to a sewer project in the amount of \$368,200.
- B. The county did not obtain an independent appraisal to value property prior to purchase and apparently negotiated with the owner for the final purchase price.
- C. Fees for outside attorney services increased substantially during the audit period. The county did not evaluate the cost effectiveness of employing a salaried attorney to perform regular on-going duties handled by outside attorneys.
- D. The county spent over \$8,700 for publication and postage on an information flyer concerning a sales tax ballot issue.
- E. Supporting documentation was not adequate to ensure the validity and propriety of an expenditure for sponsorship fees.
- F. The county spent monies for the benefit of a local volunteer organization without having a written contract with this organization.
- G. The County Commission was not properly reviewing and controlling expenditures made for prisoner transportation.

Recommendation:

The County Commission:

- A. Obtain additional bids or proposals when making substantial changes to sewer projects.
- B. Ensure justification of the selection process is thoroughly documented and independent appraisals are obtained for land purchases.

- C. Analyze whether employing a salaried attorney would be cost beneficial to the county.
- D. Ensure public funds are not expended to advocate, support, or oppose any ballot measure.
- E. Maintain adequate supporting documentation indicating services provided, and ensure all expenditures are necessary to conduct county business.
- F. Refrain from making contributions of public funds unless it is pursuant to written contracts which specifically state what services are to be provided to the county and provide a means of monitoring the expenditures.
- G. Periodically review supporting documentation for all expenditures made from the Sheriff's transportation account.

Status:

A,B,
D-G. Implemented.

C. Implemented. The county has employed a salaried attorney.

2. Budgets and Published Financial Statements

- A. The approved budgets did not adequately project the anticipated financial condition of most major county funds for either of the two years ended December 31, 1997.
- B. The county's annual published financial statements did not include the financial activity of several county funds.

Recommendation:

The County Commission:

- A. Estimate receipts and disbursements more reasonably so that projected reserves are presented in the various county funds and amounts can be more appropriately monitored.
- B. Ensure financial information for all county funds is reported in the annual published financial statements in accordance with state law.

Status:

A. Not implemented. See MAR No. 1.

- B. Partially implemented. The county's published financial statements included all county funds except the Special Children's Trust Fund and the Sheriff Drug Forfeiture Fund. Although not repeated in the current MAR, our recommendation remains as stated above.

3. Vehicle Usage

- A. Logs which document vehicle usage were not maintained for the county's law enforcement vehicles.
- B. The emergency management director did not maintain adequate usage logs for his county-owned vehicle. In addition, the director utilized the county vehicle for commuting purposes.

Recommendation:

The County Commission require detailed vehicle usage logs for all county vehicles and adopt a written policy which prohibits personal use of county vehicles. If the county continues to allow the emergency management director to use the vehicle for commuting purposes, the county should report the commuting value on the director's W-2 forms as required by IRS regulations.

Status:

Implemented. The county now requires detailed vehicle usage logs and has a written policy regarding vehicle usage. The county no longer provides a vehicle to the emergency management director to use for commuting purposes.

4. Federal Financial Assistance

- A. The Sheriff's department did not retain copies of the claim forms which were sent to the Department of Agriculture to receive reimbursement for applicable expenditures for the cooperative cannabis agreement.
- B. The Sheriff's department did not have documentation that the designated deputy sheriff received some of the training required by the grant terms.
- C. Fringe benefit amounts were under-reported on most claims filed for 1997 and 1996 for the Child Support Enforcement (Title IV-D) Program.

Recommendation:

The County Commission:

- A. And the Sheriff ensure copies of reimbursement claim forms are maintained.

- B. And the Sheriff ensure compliance with all federal grant terms and ensure the deputy receives all required training.
- C. And the Prosecuting Attorney ensure Title IV-D reimbursement claims include accurate computations of fringe benefits.

Status:

A-C. Implemented.

5. Transfer Station

- A. The method of payments received was not indicated on the receipt slips.
- B. The computer did not have a password system or procedures to restrict access to the data.

Recommendation:

The County Commission:

- A. Ensure the method of payment is recorded on the transfer station receipt slips and the composition of receipts is reconciled to the composition of bank deposits.
- B. Establish a password system which will identify each user of the system and restrict access to the system to only those individuals who need to use the information.

Status:

- A. Implemented.
- B. Partially implemented. A password system for the editing functions has been established. However, there is no password required to log on the system, issue invoices, or record receipts. Although not repeated in the current MAR, our recommendation remains as stated above.

6. Circuit Clerk and Ex Officio Recorder of Deeds

- A. A listing of accrued costs due the court was not maintained by the Circuit Clerk, nor were monitoring procedures adequate.
- B. The Circuit Clerk had accumulated a significant interest balance as of December 31, 1997. In addition, the budget prepared for the Circuit Clerk Interest Fund did not include interest monies in some bank accounts in the beginning cash balances.

- C. The Ex Officio Recorder of Deeds served as custodian of the Recorder User Fee Fund although there was not authority to allow this.
- D. The Recorder User Fee Fund balance increased significantly during the two years ended December 31, 1997. A budget was prepared for 1997 but no budget was prepared for 1998 and there were no documented plans for the use of this fund.

Recommendation:

The Circuit Clerk and Ex Officio Recorder of Deeds:

- A. Maintain a list of uncollected fees for collection purposes and establish procedures to follow up on all amounts due.
- B. Review the balance of the accumulated interest and turn over any excess funds to the General Revenue Fund which are not needed for current operations. Future budgets of the Circuit Clerk Interest Fund should include all beginning available cash.
- C. Turn custody of the Recorder User Fee Fund to the County Treasurer, as required by state law.
- D. Review the balance of the Recorder User Fee Fund and prepare a budget or formal plan to utilize the funds and reduce the accumulated balance.

Status:

A-D. Not implemented. See MAR No. 6.

7. Associate Circuit Court

- A. Receipt slips were not always issued immediately upon receipt.
- B. Checks and money orders were not always restrictively endorsed immediately upon receipt.
- C. The court did not have an adequate password system or procedures to restrict access to the computer system. In addition, user identification codes (IDs) were not used.

Recommendation:

The Associate Circuit Judge:

- A. Ensure receipts are issued for all monies immediately upon receipt.
- B. Ensure checks and money orders are restrictively endorsed immediately upon receipt.

- C. Implement a password system which requires each user be assigned a unique user ID and password, and require passwords to be changed periodically.

Status:

A&B. Implemented.

- C. Not implemented. Although not repeated in the current MAR, our recommendation remains as stated above.

8. Prosecuting Attorney's Accounting Controls and Procedures

- A. The Prosecuting Attorney sometimes waived the administration fee on bad check cases; however, authorization of the fee waiver was not always maintained. In addition, changes could be made to computerized case file information after it had been entered into the system.
- B. The Prosecuting Attorney had not established effective procedures to periodically review the bad check case files.
- C.1. Voided receipt slips were not retained.
 - 2. Money orders were not always restrictively endorsed immediately upon receipt.
- D. The Prosecuting Attorney maintained possession of an old inactive bank account totaling \$7,851 that should have been turned over to the state Unclaimed Property Section.
- E. The Prosecuting Attorney served as custodian of one of the Prosecuting Attorney Bad Check Funds although there was no statutory authority to allow this.

Recommendation:

The Prosecuting Attorney:

- A. Ensure bad check case files include authorization to waive the administrative fee. In addition, the computer system should be modified to generate change reports which should be reviewed by the Prosecuting Attorney.
- B. Periodically review all bad check cases to ensure the proper disposition has been recorded and to follow-up on all unpaid bad checks.
- C.1. Retain all copies of voided receipt slips.
 - 2. Ensure money orders are restrictively endorsed immediately upon receipt.

- D. Distribute the balance of the old bank account to the Unclaimed Property Section and close the account.
- E. Turn over the remaining proceeds of the Prosecuting Attorney Bad Check Fund to the County Treasurer.

Status:

A. Implemented. The Prosecuting Attorney no longer waives the administrative fees.

B&E. Implemented.

C.1-2

&D. Not implemented. Although not repeated in the current MAR, our recommendation remains as stated above.

9. Sheriff's Accounting Controls and Procedures

A. At least \$1,656 of gun permit fees, prisoner transportation reimbursements and employee collections were received and not deposited during the two years ended December 31, 1997.

B. Accounting duties were not adequately segregated or supervised.

C.1. Bond forms were not prenumbered, and receipt slips were not issued for some bond receipts.

2. Bond receipts were occasionally turned directly over to the court in cash rather than being processed through the bank account. Receipt slips were not always retained to document the turnover of these cash bonds.

D. The original copies of voided receipt slips were not always retained.

E. The Sheriff maintained custody of the Drug Forfeiture Fund instead of turning these monies over to the County Treasurer.

F. Employees responsible for collecting monies were not bonded.

G. The duties related to seized property were not adequately segregated.

Recommendation:

The Sheriff:

- A. Continue to work with law enforcement officials regarding any criminal prosecution and to obtain restitution of the misappropriated funds.
- B. Ensure duties are adequately segregated, or perform and document periodic reviews of the accounting records maintained and the reconciliations prepared.
- C.1. Require prenumbered bond forms or receipt slips to be issued for all bond receipts and the numerical sequence to be properly accounted for.
- 2. Deposit all bond monies into the bank account, or, if bond monies must be transmitted directly to the court, ensure that receipt slips are obtained and attached to the receipt book.
- D. Ensure all copies of voided receipt slips are properly retained.
- E. Turn over custody of the Drug Forfeiture Fund and all future revenues of this fund to the County Treasurer.
- F. Consider bonding all employees handling monies.
- G. Segregate the duties of custody and record-keeping related to seized property.

Status:

- A. Implemented. The former deputy was convicted and paid court-ordered restitution of approximately \$1,200.
- B,C.1-2,
D,F&
G. Implemented.
- E. Partially implemented. The Drug Forfeiture Fund is currently held by the County Treasurer. However, the Sheriff has retained a balance in the bank account for miscellaneous expenditures such as drug buys. Although not repeated in the current MAR, our recommendation remains as stated above.

10. Developmentally Disabled Board

- A. The approved budgets did not adequately project the anticipated financial condition of the Developmentally Disabled Board for the two years ended December 31, 1997.

In addition, the cash balance at December 31, 1997 appeared excessive compared to prior years' annual disbursements.

- B. Collateral securities pledged by the board's depository bank were held by the pledging bank's agent, but the securities were not in the board's name.

Recommendation:

The Developmentally Disabled Board:

- A. Estimate disbursements as closely as possible to the anticipated actual amounts so that reasonable estimates of the board's financial position are presented in the budgets. In addition, the board should document its plans for the use of the accumulated cash balance or take steps to reduce its balance.
- B. Ensure collateral securities pledged to cover the board's deposits are pledged in the board's name.

Status:

- A. Partially implemented. The board's estimates of its financial position were more reasonable than in the prior audit. However, the board did not document its plans for the use of the accumulated cash balance or take steps to reduce its balance. See MAR No. 9.
- B. Implemented.

11. County Clerk

The County Clerk did not maintain an account book with the County Collector.

Recommendation:

The County Clerk establish and maintain an account book of the County Collector's transactions, and the County Commission make use of this account book to verify the County Collector's annual settlement.

Status:

Partially implemented. The County Clerk is currently in the process of developing an account book. Given the numerous problems encountered with the county's property tax system, it is essential that the County Clerk develop and maintain an account book to verify the County Collector's annual settlement. Although not repeated in the current MAR, our recommendation remains as stated above.

STATISTICAL SECTION

History, Organization, and
Statistical Information

TANEY COUNTY, MISSOURI
HISTORY, ORGANIZATION,
AND STATISTICAL INFORMATION

Organized in 1837, the county of Taney was named after Chief Justice Roger B. Taney of the U.S. Supreme Court. Taney County was a county-organized, third-class county in 2000. The county became a first-class county in 2001 in accordance with Section 48.020, RSMo 2000. Taney County is part of the 38th Judicial Circuit. The county seat is Forsyth.

Taney County's government is composed of a three-member county commission and separate elected officials performing various tasks. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials.

Principal functions of these other officials relate to judicial courts, law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records of importance to the county's citizens.

Counties typically spend a large portion of their receipts to support general county operations and to build and maintain roads and bridges. The following chart shows from where Taney County received its money in 2001 and 2000 to support the county General Revenue and Special Road and Bridge Funds:

SOURCE	2001		2000	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
Property taxes	\$ 9,200	0	20,536	1
Sales taxes	5,303,856	55	5,221,854	56
Federal and state aid	1,315,527	14	1,396,996	15
Fees, interest, and other	2,970,775	31	2,617,980	28
Total	\$ 9,599,358	100	9,257,366	100

The following chart shows how Taney County spent monies in 2001 and 2000 from the General Revenue and Special Road and Bridge Funds:

USE	2001		2000	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
General county government	\$ 4,887,165	63	4,511,508	68
Public safety	2,622,608	33	2,017,669	30
Highways and roads	304,451	4	119,353	2
Total	\$ 7,814,224	100	6,648,530	100

In addition, Taney County received \$5,626,120 and \$5,638,350 of revenues in the Road and Bridge Trust Fund and expended \$4,213,200 and \$4,892,828 for the purpose of highways and roads in 2001 and 2000, respectively.

The county maintains approximately 36 county bridges and 497 miles of county roads.

The county's population was 13,023 in 1970 and 39,703 in 2000. The following chart shows the county's change in assessed valuation since 1970:

		Year Ended December 31,				
		2001	2000	1985*	1980**	1970**
		(in millions)				
Real estate	\$	517.6	499.7	146.2	49.8	18.3
Personal property		105.7	99.6	17.0	9.6	4.6
Railroad and utilities		20.9	18.7	6.3	4.8	2.7
Total	\$	644.2	618.0	169.5	64.2	25.6

* First year of statewide reassessment.

** Prior to 1985, separate assessments were made for merchants' and manufacturers' property. These amounts are included in real estate.

Taney County's property tax rates per \$100 of assessed valuations were as follows:

		Year Ended December 31,	
		2001	2000
Health Center Fund	\$.0904	.0904
Developmentally Disabled Board Fund		.0900	.0900

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and payable by December 31. Taxes paid after December 31 are subject to penalties. The county bills and collects property taxes for itself and most other local governments. Taxes collected were distributed as follows:

		Year Ended February 28 (29),	
		2002	2001
State of Missouri	\$	146,996	147,713
General Revenue Fund		31,943	39,535
Assessment Fund		244,347	275,957
Health Center Fund		463,355	441,213
Developmentally Disabled Board Fund		437,717	437,180
School districts		16,958,082	16,876,022
Ambulance district		947,273	973,523
Fire protection district		924,765	880,547
Cities		7,463,301	8,237,743
County Clerk		1,287	1,258
County Employees' Retirement		171,885	226,809
Tax sales surplus		2,522	333
Commissions and fees:			
General Revenue Fund		360,641	511,518
Total	\$	<u>28,154,114</u>	<u>29,049,351</u>

Percentages of current taxes collected were as follows:

		Year Ended February 28 (29),	
		2002	2001
Real estate	84 %		84 %
Personal property	83		83
Railroad and utilities	99		100

Taney County also has the following sales taxes; rates are per \$1 of retail sales:

		Rate	Expiration Date	Required Property Tax Reduction
General	\$.0050	None	50 %
Road and bridge capital improvements		.0050	2008	None
Sewer improvements*		.0050	2003	None

* This sales tax has been extended for 20 years until 2023.

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below.

Officeholder	2002	2001	2000
County-Paid Officials:			
Joe Chowning, Presiding Commissioner	\$	49,000	31,700
Ron Herschend, Associate Commissioner		47,000	
Don Swan, Associate Commissioner		47,000	
Wade Meadows, Associate Commissioner			29,700
E.F. Gann, Associate Commissioner			29,700
Deborah Clark, County Clerk		49,000	45,000
Minnie I. Stottle, County Auditor		40,833	
Rodney Daniels, Prosecuting Attorney		55,000	55,000
Jim Russell, Sheriff		54,000	
Theron Jenkins, Sheriff			49,450
Rebecca (Becky) Roberts, County Treasurer		49,000	33,000
David Rozell, County Coroner		16,000	
Dr. Charles A. Spears, County Coroner			8,625
Rita G. Housman, Public Administrator (1)		38,976	30,963
Sheila Wyatt, County Collector , year ended February 28 (29),	65,525	65,525	
James Strahan, County Assessor (2), year ended August 31,		47,667	45,000
Larry A. Gardner, County Surveyor (3)		25,025	24,693

(1) Includes fees received from probate cases.

(2) Includes \$900 annual compensation received from the state.

(3) Compensation on a fee basis.

State-Paid Officials:

Katherine (Katy) Clarkson, Circuit Clerk and Ex Officio Recorder of Deeds	60,330	46,127
Tony Williams, Associate Circuit Judge	96,000	97,382
Michael E. Merrell, Associate Circuit Judge	30,500	

A breakdown of employees (excluding the elected officials) by office at December 31, 2001, is as follows:

Office	Number of Employees Paid by	
	County	State
County Commission	3	
Circuit Clerk and Ex Officio Recorder of Deeds	7 *	7
County Clerk	5	
Prosecuting Attorney	12	
Sheriff	58 **	
County Treasurer	1 *	
Public Administrator	1 *	
County Collector	5 *	
County Assessor	13 *	
County Auditor	2	
Associate Division	0	6
Probate Division	0	1
Road and Bridge	55	
Building and Grounds	5 *	
Planning and Zoning	5 *	
Mechanics	2	
Emergency Management	1 *	
University Extension	2 *	
Sewer District	5	
EDP Department	4	
Transfer Station	3	
Emergency 911	2	
Juvenile Officer	2	
Animal Control	2	
Total	<u>195</u>	<u>14</u>

* Includes one part-time employee.

** Includes five part-time employees.

In addition, the county pays a proportionate share of the salaries of other circuit court-appointed employees. Taney County's share of the Thirty-Eighth Judicial Circuit's expenses is 44 percent.

In 1996, the county entered into a direct loan program with the Missouri Department of Natural Resources and borrowed \$3 million for the design and construction of sewer systems in the county. All debt service payments are from the county's one-half cent sales tax for sewer capital improvements. At December 31, 2001, the principal balance outstanding totaled \$446,954. The direct loan is scheduled to be paid off by January 1, 2004.

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